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THE PRESENT CONDITION OF
ECONOMIC HISTORY ¹

SUMMARY

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OF late years economic history, in common with other studies, has suffered from the effects of the great war, both in diminished production and in the death on the field of battle of some of its younger devotees. And each of the four great countries contributing to the field of economic history has lost from natural causes at least one of its distinguished scholars. Levasseur's long career of useful work came to a close early in the decade. He had begun to contribute to our knowledge of French economic history as far back as 1854; he died before the second volume of his *Histoire du Commerce de la France* left the press in 1912. Levasseur occupied at the Collège de France the only chair in France that resembled economic history. In America, Callender died before

¹ Read at the annual meeting of the American Historical Association, December 29, 1919.

attaining the ripeness of scholarship which his early work promised. He has been a model for younger men, and his influence lives.

Germany no longer has before it the colossal figure of a Schmoller, surrounded by a seminar of disciples destined to spread his influence in distant parts and fulfill his wish for more careful special studies on economic history. Schmoller was an historical economist, but his methods called for painstaking researches in economic history. His influence in our generation, upon such scholars as Ashley,¹ Gay, Seligman, and Unwin, may be compared with that of Ranke in the field of political history a generation or so ago. It seems probable that the work of Ranke will be more enduring than that of Schmoller. Economists have expressed themselves as disappointed with Schmoller's life work, as partially summed up in his *Grundriss*. The historical method, as applied to economic studies, seems in large part to have failed at the hands of both the younger and older group of historical economists.

A few months ago Cunningham, the dean of English economic historians, passed away. He left but one work of importance and that practically his first, published in 1882 but greatly extended in subsequent years. It was the first textbook which covered even approxi-

¹ Sir William Ashley, brilliant among economic historians, wrote on April 10, 1919, concerning his introduction to economic history "My undergraduate training was as a historian, in the Oxford History School which was so largely the creation of Stubbs. Then, as a young graduate, I was greatly impressed by the lectures of Arnold Toynbee, under whom also I did some little personal work. I happened also upon the *Essays of Chiffre Leslie* — and I can still remember the novel glow of conscious mental enjoyment with which I read them. His book made me aware of the German Historical School of Economists, and I found in Schmoller's writings — such as the *Kleingewerbe* and in some things of Schonberg on *Zunfte* — examples of the way in which the institutional bias I had received from Stubbs could be continued with the Economic interest, I will not say created but at any rate strengthened, by Toynbee. Of course at the back of it all, I suppose, are the facts that I was myself the son of a London artisan, and also came from a very serious nonconformist circle. And the ultimate purpose of all my early mediaeval studies was to cast light on the general movement of Economic evolution and especially on its most recent stages."

mately the whole of English economic history.¹ Cunningham's work has been criticized frequently. It cannot stand the test of more specialized research, it often confuses the most important issues, and nowhere does it stimulate to further study, except by way of correction. But it remains a useful compilation of facts put together so as to show certain causal relations, especially in so far as these may be found in parallel studies of economics, politics, and religion.

Fortunately we still have with us some of the pioneers. Bolles, the first to write an *Industrial History of the United States* (1878), has informed me that he undertook his task because a larger cooperative work of the same character had failed, and he saved all there was from ruin. Germany still has Brentano and Bücher, tho the latter is not, strictly speaking, an economic historian. The first volume of Bücher's *Lebenserinnerungen*, which we await with interest, is to appear soon. Altho these men, now dead or aging, have played their part, their influence continues. Studies of the kind made when they were at their height have also been made during the last decade — careful minute researches in widely scattered fields of activity.

Perhaps out of the mass of scattered researches recently published, we are justified in selecting three subjects of special significance: enclosures, capitalism, and labor. The enclosure movement has trained the wits and taxed the industry of scholars on both sides of the

¹ On February 22, 1919, Cunningham described his earliest steps, in the following words. "It was rather accidentally that I came to devote myself to Economic History. It had a place in the History Course at Cambridge from the first (1878), and as there was no teacher of the subject, I was asked by the History Board to do my best with it. I had some knowledge of Political Economy and did my best to get up the History. I found a textbook was much needed and managed to write one in 1880. I see from the authorities quoted that I was acquainted with Schanz, Ochenkowski and Brentano, but my chief personal and conscious debt was to Roscher whose monograph on eighteenth century English writers was most instructive. I tried to understand what pamphleteers and others were aiming at, and to read the facts of the time in the light of the ideas of the time, as far as I could."

Atlantic. It has thus far reached its culmination, tho perhaps not its conclusion, in the work of Tawney, one of the finest products of the decade.

Sombart was the first to give a really historical turn to studies on capitalism. He blazed the path in the direction of the origin of capitalism and, within our decade, in the direction of the psychological side of its development. His chief enduring work, however, will be to stimulate others. In Sombart's own country, Heynen and especially Strieder have made important additions to our knowledge, and in England we note the contributions of Scott and Unwin.

The history of labor is still in the pioneer stage, but in America it has been carried a step farther by the volumes of Commons. The fact that three out of the four papers on economic history read at this session of the Historical Association deal with the history of labor, is not without significance. Our current researches reflect the world's interest in capitalism and labor, and we can with difficulty avoid the conclusion that these will occupy the centre of interest for years to come. On these subjects we need studies in great numbers. It goes without saying, that to be useful, they must be above all impartial and objective, unlike the book called *The Town Labourer*, recently written by the Hammonds.

If one were to set before himself the task of enumerating work of high excellence by individuals, published during the last ten years, he would be compelled to mention Scott's three volumes on the early *Joint Stock Companies* (1910-12), Lloyd's *Cutlery Trades* (1913), and Gray's *English Field Systems* (1915). As these books exemplify, the progress has been substantial; but it has been practically all in the direction of monographic studies. At the other extreme, of course, are the numerous textbooks, more or less elementary and aiming

at general presentation; but with these we are not now concerned.

In the study of economic history we find that, while economists are primarily interested in *topics*, especially those of recent development, historians have a preference for specialization in some *period* of history. Whether the historian has made his choice by way of reaction from the older accounts, such as that of Adam Anderson, which began at the creation, or whether it is in imitation of the laudable example of nineteenth century political historians, I do not know. If the latter, then the imitator, to be logical, should include contemporary foreign institutions and should make comparative studies.

Certainly the choice of periods has some justification in the able work of Schanz, Below, and Vinogradoff. But there is one objection to it which is gradually being perceived. In the hands of lesser scholars it leads to the erection of stone walls at the beginning and at the end of the periods in question.¹ To perceive the sum total of development in one's own field, no matter how inadequate that perception may be, is the task of the specialist; to understand the causal forces behind that development is the goal. But it is one often beyond his reach.

A distinguished American economist has belittled the study of the past for every reason except to show that it is different from the present. He holds that the institutions of the present have not grown out of the past but have arisen out of needs developed in modern times. Stubbs has aptly expressed the contrary, namely, that the roots of the present lie deep in the past. All economic history, all institutional history in fact, proves

¹ By the principle of development or evolution, alone, can researches in the natural or social sciences be summed up

this. The Industrial Revolution was but a quickening pace of society. Perhaps the studies of the future will show in detail that the Industrial Revolution, like the French, was a continuation and an accentuation of a slowly developing movement — the influence of the market on industry and agriculture and the growing dominance of the man possessing capital over the man possessing none.

The practice of studying economic history by periods is at its worst when the periods studied are political. It is not to be expected that economic history could at once throw over the political traditions of a generation, but it is a reasonable hope that this is the ultimate goal.

At the opposite pole from the historian who deals with closed periods of history is the broad sweep of the genetic economist who knows neither time nor place. The extremes of each method are perhaps equally objectionable, but the advantages of genetic studies have been too clearly demonstrated to be longer ignored. The essentials of changes in any field can be summed up and expressed with emphasis in the form of stages of development, not of history. A few pages can elucidate a volume of facts. Moreover, the whole development from first to last is perceived and the present and past can be connected. Genetic studies would provide a leaven for an otherwise undirected and uninteresting subject. The view of Hildebrand that the exchange of goods has passed through three stages, barter, money, and credit, has been a stimulus to research that has no doubt discredited the stages in question, yet has led to the discovery of new ones and has given rise to an emphasis upon the exchange of goods which, however misplaced by some, remains fundamental.

No one who pursues the genetic trail far, can fail to see its possible shortcomings. It is difficult, indeed,

when following the line of development to stop at the proper places for the study of causation. As we trace the stages through which agriculture has passed, we may forget the influences that determine the changes; for example, the growth of a metropolitan demand for foodstuffs or a shift in industrial production which robs the countryside of its manufactured by-products. Forewarned, however, is forearmed, and the guilt of neglecting causes may be expected to be peculiar to individual scholars rather than to the method of approach.

In genetic treatment lies the danger, on the other hand, of a return to deductive study as contrasted with deductive presentation of results. There is a suggestion of this evil in Lloyd's *Cutlery Trades*; and in Miss Hazard's *Boot and Shoe Industry in Massachusetts* (1913) we have an apparently well-developed case. While Lloyd follows the accepted stages of industrial development in England, Miss Hazard follows more or less closely those of German history. The obvious danger is that historical researches will tend to find illustrations for preconceived theories of development.

Genetic studies are usually held to be incompatible with comparative studies. He who travels far cannot cover a wide area. Those valuable comparisons and checks to generalizations which are based on narrow research are not so likely to be made. The success of comparative studies in religion and philology is paralleled by similar studies in history, notably in the work of Gross on the gild merchant, Haskins on Norman institutions and Meitzen and Gray on village settlements. But it should be noted that in one sense genetic studies are fundamentally comparative. One stage is compared with another, rather than the institutions of one country with those of another. An obvious advantage of

such comparison would be the avoidance of anachronism, the ever-present sin of historiography. Unquestionably the ideal would be to cast aside the apparent contrast of comparative and genetic studies familiar to the biologist, and to create a larger genesis based on parallel developments in various lands and continents. Investigations of ancient Roman history, based on a study of tribal conditions among the barbarous peoples of modern times, show how genetic a comparative study may become. The same would be true of studies of out-of-the-way places in the world such as missionaries might today be making for us, if only there were some agency for organizing and utilizing their services.

The genetic point of view is as ancient as Hesiod and Vergil. It has been applied to economic development in recent times by Storch, List, Roscher, Schmoller, and Bücher. It is historical economics without the particular affiliations of either the younger or the older school. The logical result is a science of genetic economics, or a theory of economic history. It is to be noted that this is not economic history and never can be treated as such. The former deals with theories of what the past has been; the latter with the facts of the past. But genetic economics would be a stimulus to economic history itself; and it would prepare for the use of the economist and the sociologist materials which otherwise are beyond their reach. The historian sometimes marvels at the theorist's easy leap from primitive times to the era beginning with the Industrial Revolution, and at the nonchalance with which he ignores well worked-out historical developments of the intervening period. It is just here that genetic economics might step in, to provide the missing link between intensive detailed historical studies and theoretical exposition of the main developments.

It must be confessed that our faith in the leavening effect of theory on a study of facts has not always been justified. Altho economic history has for generations been dealt with by economic theorists, it has never evolved an adequate content, or an analysis of its own scope, comparable to that of economics itself. The content of economic history results from the practices of economic historians of the period 1750–1850 — historians such as Anderson, Gülich, and Torrens. Apparently Torrens was the first, or nearly the first, to write an *Industrial History* (1846). This title, adopted by many successors, places emphasis upon industry in a large sense, in other words, production. It implies that there is no recognized place for distribution. When economic history came under the influence of historical economics in the latter half of the nineteenth century, there was some disposition to turn to distribution. Thorold Rogers made an historical study of wages but found very few followers, none to labor on the same scale. The work of Steffen did not prove constructive or suggestive. Just before the beginning of the late war several articles appeared in English and German journals on the subject of the regulation of wages in England from the Black Death onward. These tended to modify considerably the conclusions of Rogers on the subject, but up to date have not been brought to a head. Generally speaking, economic historians, as distinct from historical economists, are still interested primarily in production. At times they deal with the factors of production — the orthodox land, labor, capital, and management; but their chief concern is with the processes of production, such as agriculture, manufacture, and commerce. In the handling of these, there has been too little advance since the eighteenth century.

But this is not all. Even the treatment of the processes of production is incomplete. Collectional production, the economic cultures (other than agriculture), and storage or the production of time utility, are generally ignored, at best but lightly dwelt upon. Storage is to-day one of the three divisions of commerce, the other two being the transportation and the exchange of goods. Neither of the last two functions can be performed to any great extent under modern conditions without a well developed system of storing or warehousing. Nor can we carry on agriculture or manufacture without it. The neglect of storage is probably a survival of the medieval attitude toward this kind of production; it was then ignored, or when considered, condemned. But developments of recent times help us to visualize the function, especially when we see the urban warehouse become the nucleus of a great marketing enterprise, and a rural grain elevator become the means not only for selling the products of the district but for purchasing supplies from the outside.

The time is perhaps ripe for suggesting possibilities of another kind. Without ceasing to write special treatises, we might well devote more attention to synthesis; to put together some of the isolated researches and to give direction to future studies. Possibly some of us have become impatient with economic history because it turns to this field and to that, as some current need dictates — at present to capital and labor, neglecting other important phases of its recognized interests which are necessary to an understanding of the whole. I believe that in the long run the best interests of the subject demand a balancing of the two: the study both of the pressing problems of the present from the historical viewpoint, and of those neglected branches of economic history needed to round out our subject. The

desire for synthetic studies alternates with the demand for analytic studies. We can see this swing of the pendulum taking place at different times from the early eighteenth century to the late nineteenth. The last swing has been toward special studies in reaction from the over-hasty generalizations of the older historical economists. It has crystallized around the school of Schmoller.

Any important synthesis at the present state of our subject must be made with a central theme. The problem, then, is to find this theme, something around which all else turns. There can hardly be unanimity of opinion as to what this is; but there seems to be an increasing tendency to accept the function of exchanging goods as the centre about which all else really moves. Of course, if we have historical development in mind, we should broaden this into the satisfaction of human material wants, attained at first by direct means and later by exchange. If this procedure proves acceptable, then we shall have such fundamental stages for all kinds of production as the following: production (1) for immediate use by the producer or his kin, (2) for sale directly to the consumer, and (3) for sale through middlemen.

Of course we cannot but pause long and earnestly before synthesizing. It may be a brilliant idea that we need, or it may be a series of painstaking efforts. At any rate we remember the premature essays of anthropologists and sociologists in this direction, some of them as late as Oppenheimer's *Theorie der Reinen und Politischen Ökonomie* (1910). Even more than this, however, is the fear already expressed that economic history has not yet been given an adequate content or a sufficiently wide scope. Synthesis based upon a consideration of production alone can hardly be successful, if we are later to lay equal stress upon distribution. It

may be, however, that our understanding of social evolution would be most advanced if we should divide our work into three fields: economic history dealing with production; social history with distribution; and thirdly the history of economic thought. Whether such a threefold division be maintained or not, each one of the three will have to be studied with the others in mind. This is the larger synthesis.

Perhaps most of the ills from which economic history suffers are due to its continued dependence on history and economics, on historians and economists. In this dependence there is, to be sure, the advantage of getting stimulus from outside; but it gives rise to countervailing disadvantages. One of them is the lack of specialists. Yet economic history is a relatively old science. It was well under way in the eighteenth century, as we have observed. Omitting all reference to the numerous works that appeared in that century and in the early part of the next, we may note that at least as early as 1853 an academic lecture was delivered on the subject by Inama-Sternegg, and at least as early as 1878 and 1879 the same scholar wrote books bearing the words "economic history" in the title. One of England's leading universities, Cambridge, gave to economic history a place in the curriculum in 1878; tho there are in England today few instructors in the subject.¹ At Harvard in 1883, Dunbar began his course on modern (since 1750) economic history, the precursor of the one still given.

¹ In 1908, according to L. L. Price (*The Study of Economic History*, p. 5), there were instructors in economic history in the following English institutions: one at Oriel College, Oxford, one at Manchester, and two at the London School of Economics. I have learned of no subsequent additions.

The subject is, of course, widely taught in England, as is indicated by the following quotation, but not by those giving their whole attention to it. "Before he [Cunningham] died he saw his subject, which in my time at Cambridge (1890-94) was only one paper in the History Tripos, included in the Economic Tripos, and taught in every University of any standing in the United Kingdom. It spread from there to workers' educational classes, and is now widely taught in secondary schools." Mrs. Knowles, *Economic Journal*, September, 1919, p. 391.

And in 1892 Harvard made Ashley the first professor of economic history in America,¹ probably the first in any country. Even in Germany, the land of so much pioneering in this department of learning, there is, I believe, no chair of economic history and very few courses on the subject, almost none outside of Munich. France has been much worse off.

This dependence has led to a duality of contribution which breaks up the subject into two component parts. While historians are primarily interested in the period before the Industrial Revolution, recent economists are primarily interested in that following the Revolution. The continuity of development, which is as real as that of the English constitution after the Puritan Revolution, is destroyed and the whole movement of history perverted.

Economists, it is said, have of late been losing interest in economic history. If this be so, the dependence of economic history on the efforts of economists involves a distinct loss to our science; especially does it seem so, when we reflect upon the valuable contributions of such economists as Rogers, Jevons, Dunbar, Taussig,² and Brentano; and even more so, if we accept the verdict of Professor Seligman that "all the great progress in economic history has come from the economists and not from the historians, or it has come from the historians

¹ Professorships in economic history are now found in at least four American universities, Harvard, Columbia, Yale, and Minnesota. Several professors in other institutions devote their whole attention to the subject but occupy chairs in the department of history or economics.

² On July 21, 1919, Professor Taussig wrote: "Professor Dunbar's own investigations were largely historical in character. He had planned a financial history of the United States and it has always been a matter of keen regret to me that he never was able to carry out the project. He had given attention also to a number of topics in economic history outside the United States, especially with regard to financial matters such as the history of assignats in the French Revolution, and the development of Dutch commerce and industry. Perhaps I ought to add that my own work on the *Tariff History of the United States* had its origin in suggestions made to me by Professor Dunbar shortly after I graduated from Harvard College."

who were primarily trained in economics.”¹ Whether the economist has lost, or is losing, interest in economic history because historical economics has become discredited, or because the statistical method as applied to historical data has failed, or because economic history has neglected to keep pace with the change in interest from production to distribution, it is difficult to say. It is only fair to point out that while the economist may be losing interest in economic history as a study, he is, of course, not departing from the old custom of using economic historical data, notably for illustration. It is not improbable that economic history, with its long experience with the subjection of the individual to the producing group, has something special for the economist of the near future, which the economist of the immediate past, reared in a competitive individualistic surrounding, did not possess. In other words, it is reasonable to suppose that with the present growing tendency toward coöperation and regulation which are distinctive of the distant and medieval past, economists will turn more and more to early experiences for a guide to the future. This is, of course, paralleled by the attention which they have recently given to the teaching of psychologists in the field of instincts and emotions, and constitutes a valuable supplement to it.

It may be that the dependence of economic history is responsible for the lack of an encyclopedia of economic history, of a dictionary of economic historical terms, of a single journal of economic history, now that the *Vier-*

¹ It is interesting to contrast this view of Professor Seligman (expressed in a private communication dated May 6, 1919) with that of Sommerlad “The historian is master in the house [of economic history] which he has built” Quoted by Brauer, *Kritische Studien . . . Wirtschaftsgeschichte* (1912), p. 189. Probably the two views may be harmonized by saying that historians at first did the building but that historical economists have done the finishing; that historians developed production and economists added distribution. If the views expressed in this paper be correct, the third period will be one in which the specialists in economic history will make over their science in accord with its peculiar needs.

teljahrschrift für Sozial- und Wirtschaftsgeschichte is (apparently) defunct, and of a history of how economic history has come into being.

In 1879, Inama-Sternegg said that the ultimate goal was an economic history of mankind, written without regard to territories and states. In 1910 Brodnitz noted that as yet no economic history had been written. And at the close of the decade this is still true; we have no economic historical work of a general character. There are only the many textbooks of single countries, especially England, and innumerable highly specialized and detailed researches. It would be tempting then to say, were it not for doubts already expressed, that now is the time for an economic history of mankind written from the genetic point of view, with a more complete analysis of economic phenomena, and based upon adequate comparative studies. Perhaps the chief value of such a suggestion at this moment is that it may serve as a directive influence to our otherwise scattered studies.

If the dependence of economic history on history and economics has worked on the whole to its disadvantage, the remedy lies in specialization in economic history, without giving up, however, the balance of emphasis and training in the two mother subjects. The historian is apt to be deficient in his understanding of the newer forms of economic analysis, and the economist is likely to know little about the latest historical researches. The problems of economic history are peculiarly enough its own to justify a more independent position. There is a growing interest in our study on the part of those who emphasize the economic interpretation of history; and an equally great interest on the part of those who are absorbed by the increasing prominence of the laboring class and who wish to know the facts of past economic development, facts which may help explain the present

status and point to the future outcome. It is not unlikely that the increasingly large share that is being taken by workmen in the management of the affairs of cities and of states is going to lead to a study of economic history, much as the victory of the middle class led to a study of constitutional and political history. The demand for economic history in the trade schools and secondary schools generally seems to indicate that neither the old history nor the current economics will wholly answer the popular needs of the immediate future.

And so in conclusion we may note that present tendencies are in the direction of greater emphasis on economic history, after a period of partial eclipse; that in the last few years stress has been put upon the history of capital and labor because of the growing antagonism between the two; that this drift might be balanced by other studies which reflect a more complete analysis of the content of economic history; that the chronological and periodic treatment might well be supplemented by the genetic; and that the guidance of economic history, until now in the able hands of historians and economists, might henceforth more profitably be lodged with specialists in the field.

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